

CAPITAL RESERVE CONTRIBUTION · CRC

A 1% Contribution at Sale to Secure Our Reserves

A proposed Fourth Amendment to the Declaration. Approving it lets future home sales help fund our capital reserves — easing the burden on today's owners and reducing the risk of a special assessment.

SPECIAL MEETING

Thu, June 25, 2026

5:00 PM · RVR Ranch House

OWNER VOTE

Jul 17 – Aug 15

Electronic ballot, 2026

TO PASS

More than 50%

At least 17 of 33 owners

THE PROPOSAL IN ONE MINUTE

- 1 What's proposed.** A one-time **1.00% Capital Reserve Contribution** paid by the buyer at closing when a home sells — paired with **6% annual dues increases** instead of 8%.
- 2 Why now.** Our reserves are **12.5% funded** — less than half the 30% industry minimum — and rising construction costs keep widening the gap.
- 3 What it saves you.** The average owner saves roughly **\$79,000 in reserve dues over 30 years**, and about **\$580,000** of future funding shifts from today's owners to future buyers.
- 4 The ask.** Return your ballot during the vote window. **A non-vote counts as a No** — every ballot matters in a 33-unit community.

This is the short summary. A full packet with detailed forecasts, alternatives considered, and complete Q&A is available from the Board on request. Figures reflect the average unit; your unit's dues vary with its ownership percentage.

THE RISK

Where the Current Plan Leaves Us

Even with 8% annual dues increases, reserves stay in the high-risk zone for far too long.

12.5%

FUNDED · HIGH RISK

Industry minimum is 30% — we're less than half that.

\$1.13M

YEAR-1 FUNDING GAP

How much reserves fall short of where they should be.

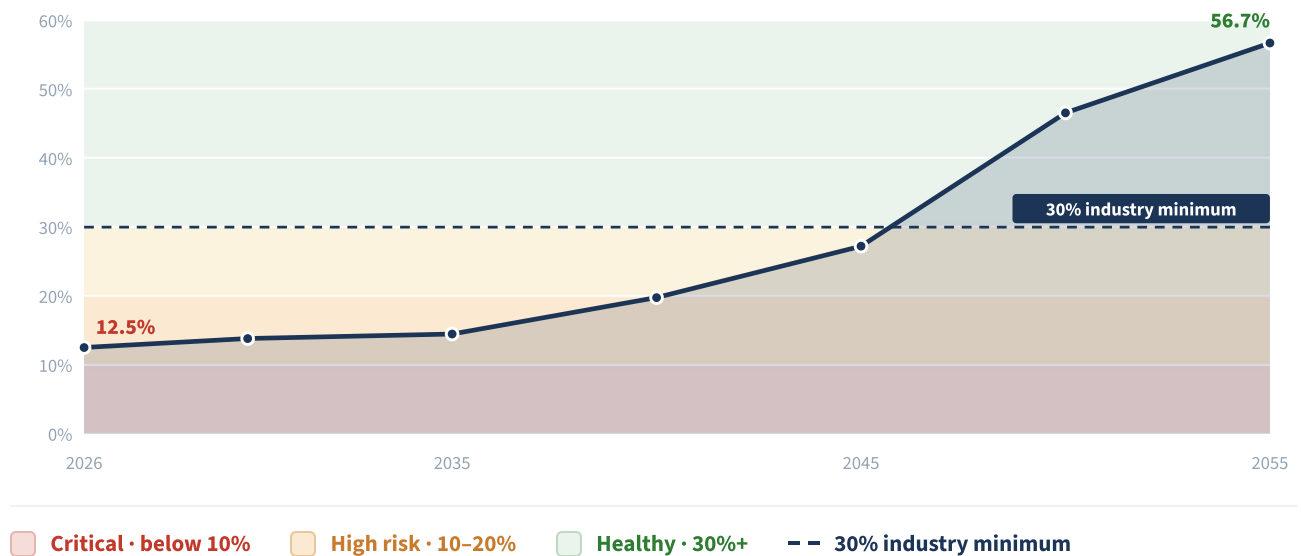
15 yrs

IN THE HIGH-RISK ZONE

Half of the next 30 years — one major repair could trigger an assessment.

Percent Funded Under the 8% Plan, 2026–2055

Reserves stay below the 30% industry minimum for roughly the first 15 years.



WHAT THE CRC IS

- ✓ A contribution that goes **directly into the reserve fund**
- ✓ Paid **only at the time of sale**, by the buyer at closing
- ✓ A one-time contribution tied to property transfer

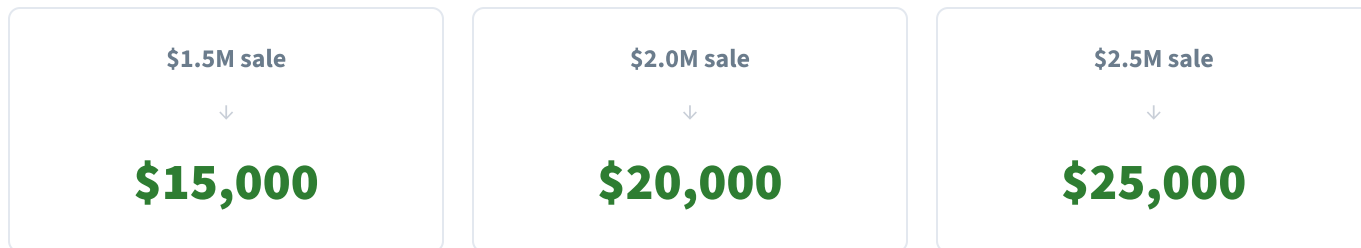
WHAT IT IS NOT

- ✗ Not a charge for non-selling owners
- ✗ Not a recurring annual fee
- ✗ Not a new operating revenue stream

THE PROPOSED SOLUTION

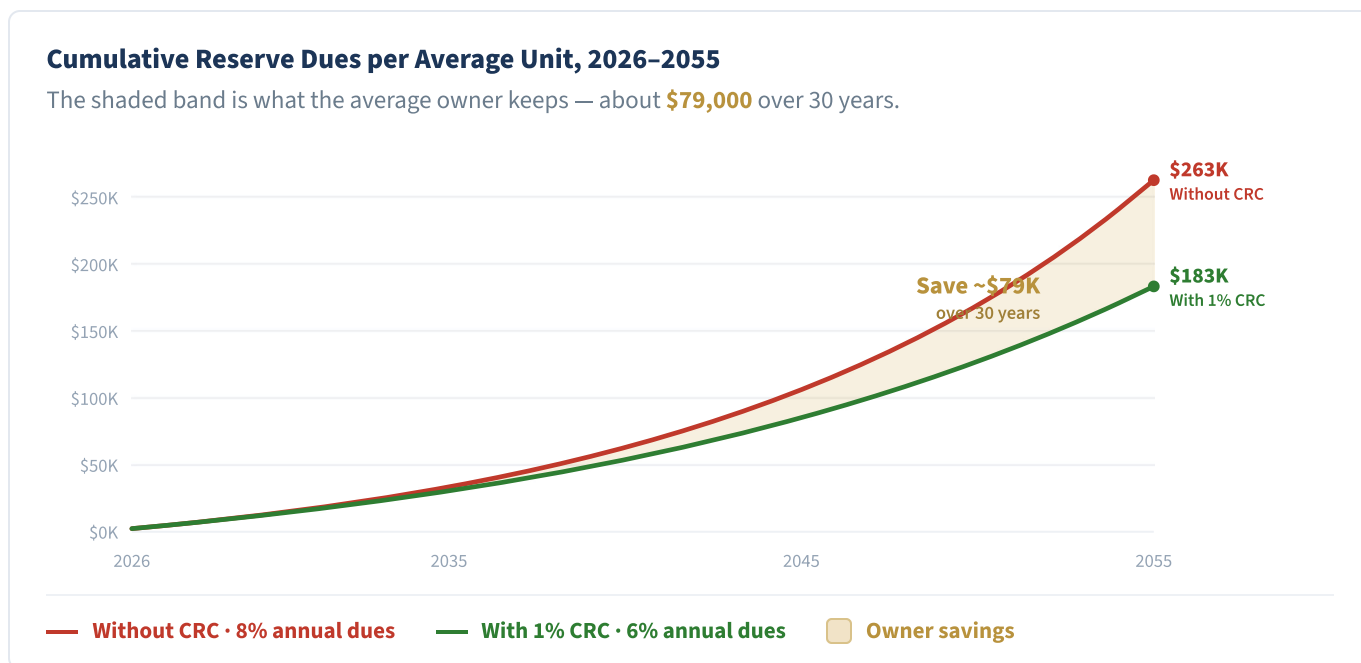
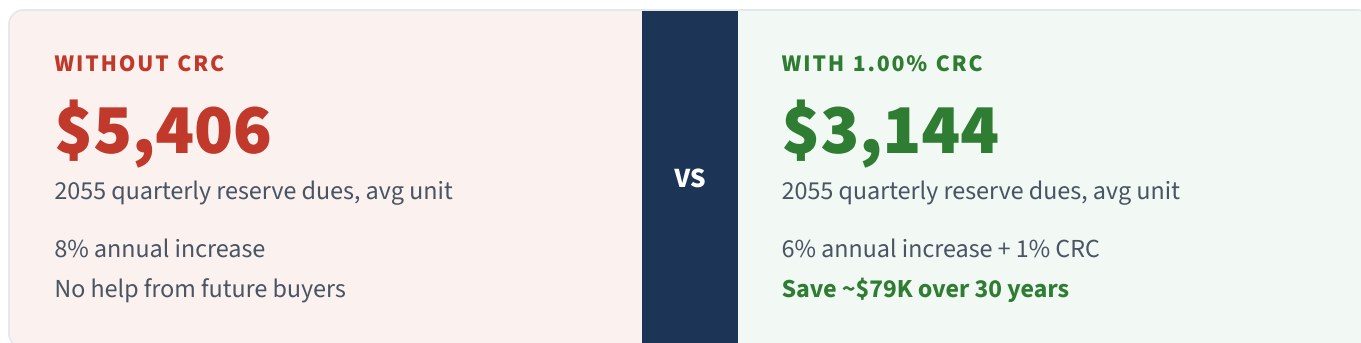
A 1.00% Contribution, Paid at Closing

A one-time contribution of 1.00% of the sale price, paid at closing. **All proceeds go directly into the capital reserve fund.** Rather than raising dues to rebuild reserves faster, the CRC brings in contributions from home sales — easing what today's owners pay while keeping the fund on stable footing.



What this means for your reserve dues

The CRC shifts roughly 30% of future funding to property transfers — so dues don't have to carry it alone.



THE DECISION

Two Paths Forward

DO NOTHING

Continue with current funding levels
Reserve dues grow 9.3× → **\$5,406/qtr by 2055**
Reserves stay underfunded for ~15 years
Full burden stays on current owners

ADOPT THE CRC PLAN

1.00% CRC + 6% annual dues
Reserve dues 42% lower → **\$3,144/qtr by 2055**
~\$79K savings per owner over 30 years
~\$580K of funding shifted to future buyers

>50%

APPROVAL REQUIRED
At least **17 of 33** owners

A non-vote counts as a No.

In a 33-unit community, missing just one or two ballots can cause the amendment to fail — even if everyone who voted said Yes. **Your vote only counts if you submit it.**

STEP 1 · JUL 16

Board Vote

Board authorizes the Fourth Amendment for submission to owners.

STEP 2 · JUL 17-AUG 15

Owner Vote

Electronic vote on the 1.00% CRC amendment. Requires more than 50%.

STEP 3 · AFTER APPROVAL

Effective

Takes effect with the Garfield County recording date.

Common questions

Who pays — buyer or seller?

The buyer pays the 1% at closing. In practice it may be negotiated between buyer and seller.

What if I stay long-term?

You benefit from lower dues and a reserve fund that stays in the black. The CRC is paid by the buyer when you sell — not by you now.

Why not dues alone?

Dues-only needs 8% yearly — raising quarterly dues more than 9-fold by 2055, all on today's owners.

Will it make homes harder to sell?

Not necessarily — a stable, well-managed reserve fund with no looming special assessment supports marketability.

Are any transfers exempt?

Yes — typical family, trust, inheritance, and foreclosure transfers are exempt.

Can the rate change?

The Board may lower or pause it anytime by majority vote. Raising it requires more than 50% owner approval.

Questions? Contact the Board of Directors before the vote.
The Boundary Association · RVR Ranch

SPECIAL OWNERS' MEETING
JUNE 25, 2026